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UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY
HON. GLORIA M. BURNS
CASE NO. 08-14631(GMB)

In re:

SHAPES/ARCH HOLDINGS L.L.C., *et al.*,

Debtors.

Chapter 11
(Jointly Administered)

**APPLICATION OF THE CLASS 10
LIQUIDATION TRUST PURSUANT TO
D.N.J. LBR 9013-1(j) FOR ENTRY OF
CONSENT ORDER RESOLVING THE
CLAIMS OF GLENCORE LTD.**

HEARING DATE AND TIME:
N/A

TO: HONORABLE GLORIA M. BURNS
United States Bankruptcy Judge

The Application of the Class 10 Liquidation Trust (the “Trust”), established upon the effective date of the Chapter 11 plan of Shapes/Arch Holdings, L.L.C., *et al.*, the above-captioned reorganized debtors and debtors-in-possession (together, the “Debtors”), makes this application (the “Application”), by and through the Trustee, respectfully represents:

I. INTRODUCTION AND JURISDICTION

1. This Application is submitted pursuant to D.N.J. LBR 9013-1(j) for entry of the accompanying Consent Order resolving the claims of Glencore Ltd. (the “Consent Order”).

2. This Court has jurisdiction over the Application pursuant to 28 U.S.C. §§ 1334 and 157(b). This is a “core” proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (O).

3. Venue is proper in this Court pursuant to 28 U.S.C. § 1409(a).

II. BACKGROUND

4. The Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code on March 16, 2008 (the “Filing Date”). The cases were being jointly administered pursuant to this Court’s Order dated March 18, 2008. However, on March 30, 2009, the Court entered an Order closing the affiliated Chapter 11 cases; Shapes LLC (case no. 08-14632), Ultra LLC (case no. 08-14633), Delair LLC (case no. 08-14634), and Accu-Weld LLC (case no. 08-14635) and allowing the Chapter 11 case of Shapes/Arch Holdings L.L.C. (case no. 08-14631) to remain open.

5. No trustee or examiner has been appointed in these cases and the Debtors continue in the management of their affairs as debtors-in-possession pursuant to 11 U.S.C. §§ 1108 and 1109 of the Bankruptcy Code, and more recently, as reorganized debtors.

6. An Official Committee of Unsecured Creditors was appointed by the United States Trustee on March 31, 2008 and played an active role in these cases. The Committee dissolved on August 8, 2008, the effective date of the Debtors’ Third Amended Joint Plan of Reorganization (the plan, including amendments, exhibits, and modifications, being the “Plan”).

7. The Plan was confirmed by Order of this Court dated July 24, 2008 (the “Confirmation Order”) and became effective on August 8, 2008 (the “Effective Date”). On the Effective Date of the Plan, the Liquidation Trust came into existence, and pursuant to Sections

4.5, 5.2 and 5.3 of the Plan and Article IV of the Plan Administration Agreement (an exhibit to the Plan), the Trust, by its Trustee, Steven D. Sass, was empowered to, among other things, review and file objections to unsecured claims and bring avoidance actions.

8. On the Filing Date, the Debtors filed their Statements of Financial Affairs, Schedules of Assets and Liabilities and Schedule of Executory Contracts and Unexpired Leases (the “Bankruptcy Schedules”). Shortly thereafter, the Debtors were authorized to retain Epiq Bankruptcy Solutions, L.L.C. to serve as claims agent in these cases and maintain the official claims register and notice lists.

9. On the Petition Date, the Debtors had scheduled Glencore Ltd. (“Glencore”) as having an unsecured claim of \$2,892,033.85 against the Debtors (the “Scheduled Claim”).

10. On March 18, 2008, this Court entered an Order pursuant to Bankruptcy Rules 2002(a)(7) and 3003(c)(3) establishing the deadline for the filing of proofs of claim evidencing pre-petition claims (the “Bar Date Order”).

11. Pursuant to the Bar Date Order, the deadline for all persons and entities to file proofs of claim against the Debtors for claims that arose on or prior to the Filing Date was May 15, 2008.

12. Glencore filed proofs of claim numbered 335 and 336, as general unsecured claims against the Debtors’ estates, each in the amount of \$2,283,078.81 (collectively the “Proofs of Claim”).

Negotiations with Glencore Ltd.

13. The Trust has reviewed the Proofs of Claim, information provided by Glencore and the Debtors’ books and records as they pertain to Glencore, and has engaged in good faith, arms’ length negotiations with Glencore.

14. The Trust and Glencore have determined that the Proofs of Claim are duplicative and therefore, Glencore has agreed to withdraw proof of claim no. 335 with prejudice, and proof of claim 336 shall be allowed in the amount of \$2,283,078.81 (the “Allowed Claim”). The Allowed Claim shall be classified as a general unsecured claim against the Debtors and treated as part of Class 10 under the Plan.

III. RELIEF REQUESTED AND BASIS THEREFOR

15. The Trustee believes that entry of the Consent Order is in the estates’ best interests. As a result of extensive negotiations with Glencore, the Trustee has been able to reach an agreement regarding the treatment of the Glencore Proofs of Claim under the Debtors’ Chapter 11 plan. Therefore, the Trustee respectfully submits that cause exists for the entry of the Consent Order.

WHEREFORE, the Debtors respectfully request that the Court enter the Consent Order and grant such other relief as the Court deems just and appropriate under the circumstances.

Respectfully submitted,

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DATED: September 8, 2009